

## Message Text

UNCLASSIFIED

PAGE 01 MONTEV 02904 291617Z  
ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01  
INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06  
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04  
CEA-01 L-03 H-02 PA-02 USIE-00 PRS-01 /102 W  
-----004894 292212Z /75

R 291501Z JUL 77  
FM AMEMBASSY MONTEVIDEO  
TO SECSTATE WASHDC 4343

UNCLAS MONTEVIDEO 2904

E.O. 11652: N/A  
TAGS: ECON, EFIN, UY  
SUBJ: PESO DEVALUATION

1. ON JULY 27, THE CENTRAL BANK AUTHORIZED A DEVALUATION OF THE  
COMMERCIAL RATE FOR THE PESO (THE THIRD OF THE MONTH AND  
TWELFTH OF THE YEAR) OF 1.67 PERCENT.

2. SINCE DECEMBER OF LAST YEAR THE PEGGED COMMERCIAL RATE HAS  
LAGGED BEHIND THE FREE FINANCIAL RATE; THEY ARE NOW NEAR PARITY,  
AT LEVELS OF 4.71/4.76 AND 4.715/4.72, RESPECTIVELY.

3. IT APPEARS THAT THE CENTRAL BANK IS MOMENTARILY MOVING  
TO NEUTRALIZE THE EFFECT OF THE FALLING INTERNATIONAL  
RELATIVE PRICE OF THE DOLLAR BY CONTINUING THE DEVALUATION OF  
THE PESO AGAINST IT. DURING THE CURRENT YEAR, HOWEVER, WHILE  
THE COST OF LIVING HAS RISEN BY OVER 30 PERCENT, TOTAL PESO  
DEVALUATION AGAINST THE DOLLAR HAS AMOUNTED TO ONLY  
19 PERCENT, INDICATING THE GAIN OF RELATIVE STRENGTH OF THE  
PESOS AGAINST THE DOLLAR.  
HAAHR

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PESO, DEVALUATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 29-Jul-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977MONTEV02904  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770273-0217  
**Format:** TEL  
**From:** MONTEVIDEO  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1977/newtext/t1977075/aaaaadqh.tel  
**Line Count:** 45  
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**Litigation History:**  
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**Message ID:** f9f9356a-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION ARA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 1  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 16-Feb-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1838028  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PESO DEVALUATION  
**TAGS:** ECON, EFIN, UY  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odhc://SAS/SAS.dbo.SAS\_Docs/f9f9356a-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
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